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MEDICAID MEMO

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Modifications to the Virginia Medicaid Preferred Drug List (PDL) Program Effective January 1, 2007

The purpose of this memorandum is to inform you of modifications to Virginia Medicaid's Preferred Drug List (PDL) and related changes to its criteria for prior authorization for FFS Medicaid recipients. The revised PDL Quicklist reflecting all changes is attached and will be effective on January 1, 2007.

PREFERRED DRUG LIST UPDATES – EFFECTIVE JANUARY 1, 2007

DMAS implemented the PDL Program to provide clinically effective and safe drugs to its clients in a cost-effective manner. The PDL is a list of preferred drugs by select therapeutic class for which the Medicaid program allows payment without requiring prior authorization (PA). In the designated classes, drug products classified as non-preferred will be subject to PA. Other clinical criteria may also apply for each respective drug class. There are provisions for a 72-hour supply of necessary medications so that this initiative will not cause an individual to be without an appropriate and necessary drug therapy. Your continued support of this program is critical to its success.

The PDL is effective for the Medicaid, MEDALLION, and FAMIS Plus fee-for-service populations. The PDL **does not** apply to recipients enrolled in a Managed Care Organization or to FAMIS enrollees.

DMAS implemented Phase I of the PDL, which includes 21 therapeutic drug classes, in January 2004 and in January of 2006. The Pharmacy & Therapeutics (P & T) Committee recently conducted its third annual review of the PDL Phase I drug classes and some changes were made to the prior authorization criteria for these classes.

The therapeutic classes included in the annual review of PDL Phase I were:

- HMG CoA Reductase Inhibitors (Statins)
- Cox-2 Inhibitors
- Proton Pump Inhibitors (PPIs)
- Angiotensin Receptor Blockers (ARBs) (formerly named Angiotensin Receptor Antagonists)
- Angiotensin Converting Enzyme Inhibitors (ACE Inhibitors)
- Inhaled Corticosteroids
- Nasal Steroids
- Beta Adrenergics
- COPD- Anticholinergics (formerly included with Beta Adrenergics)
- Beta Blockers
- Calcium Channel Blockers
- H2 Antagonists
- Second Generation Antihistamines (LSAs)
- Benzodiazepine Sedative Hypnotics (formerly included with Sedative Hypnotics)
- Other Sedative Hypnotics (formerly included with Sedative Hypnotics)
- Electrolyte Depleters
- Urinary Tract Antispasmodics
- Topical Immunomodulators
- Lipotropics Non-Statins: Fibric Acid
- Lipotropics Non-Statins: Niacin Derivatives
- Phosphodiesterase 5 Inhibitor for Pulmonary Arterial Hypertension

The P&T Committee also recently evaluated new drugs within three PDL Phase II drug classes (CNS Stimulants/ADHD, Macrolides, and Ophthalmic Antihistamines). Based on this review of Phase I drug classes and the new drugs in Phase II, the additions and changes to the PDL, effective January 1, 2007, are as follows:

ADDITIONS TO PREFERRED STATUS

Azithromycin and Clarithromycin

(Macrolides) **Ketotifen Fumerate** (Ophthalmic Antihistamines) **Simvastatin** (HMG CoA Reductase Inhibitors - Statins) **Advair HFA®** (Inhaled Corticosteroids)

Rozerem® (Other Sedative Hypnotics)

ADDITIONS TO NON-PREFERRED STATUS

Daytrana® (CNS Stimulants/ADHD)

Zocor® (HMG CoA Reductase Inhibitors - Statins)

The updated PDL Quicklist reflecting all changes is attached. Please note that the revised PDL Quicklist only includes "preferred" drugs (no PA required). If the drug requested for these select therapeutic classes is not on the list, a PA is required.

You may also access the complete list of pharmaceutical products included on the Virginia PDL by visiting http://www.dmas.virginia.gov/pharm-pdl_program.htm or https://virginia.fhsc.com. Additional information and Provider Manual updates will be posted as necessary. Comments regarding this program may be emailed to the P&T Committee at pdlinput@dmas.virginia.gov.

NEW STEP THERAPY CRITERIA – PROTON PUMP INHIBITORS & SEDATIVE HYPNOTICS

The P&T Committee developed or revised step therapy criteria in two Phase I drug classes: Proton Pump Inhibitors (PPIs) and Sedative Hypnotics.

Proton Pump Inhibitors (PPIs)

Step therapy guidelines will apply for PPIs except when recipients are over age 65 or have at least one of the following conditions: Erosive Esophagitis, Active GI Bleed, or Zollinger-Ellison Syndrome. In addition, recipients are exempt once they have failed a 120-day trial of the preferred drug(s) and are under the care of a gastroenterologist who has ruled out a non-secretory condition. If the exception criteria are met, prior authorization of the requested product will be granted for the duration for of year. Step therapy requirements will not apply.

The following step therapy criteria will apply for all other PPI claims:

1. Therapeutic failure of a 60-day trial of Prilosec® OTC (up to 40mg daily). *If the trial of Prilosec® OTC is successful it may be continued with no limitations to duration of therapy.*
2. Therapeutic failure of no less than a one-month trial of Protonix®. *If the trial of Protonix® is successful, it will be approved for 120 days.*
3. If both trials fail, prior authorization for the requested, non-preferred product will be provided for 120 days.

The 120-day duration of therapy rule will be applied to all existing Protonix® claims and authorizations for non-preferred PPIs beginning January 1, 2007. Therefore, the step therapy criteria will be applied and new authorizations for Protonix® and non-preferred PPIs must be completed on or before April 30, 2007 for recipients currently receiving these medications under the 2006 guidelines. Prior authorization may be completed at any time during this period.

Sedative Hypnotics

The following criteria for authorization will be applied to the sedative hypnotic classes (benzodiazepine and non-benzodiazepine):

- To receive a non-preferred benzodiazepine there must be a therapeutic failure of no less than a one-month trial of at least one preferred benzodiazepine not requiring prior approval.
- To receive a preferred non-benzodiazepine there must be a therapeutic failure of no less than a one-month trial of a benzodiazepine.
- To receive a non-preferred non-benzodiazepine there must be a therapeutic failure of no less than a one-month trial of 1) a benzodiazepine and 2) Rozerem®.

Exceptions to the sedative hypnotics criteria apply to pregnant women, who may receive Ambien® for the duration of their pregnancy, and recipients over age 65, who may receive Rozerem®, Ambien®, or Lunesta® after a one-month trial of Trazodone.

Other exceptions and criteria may apply. More information on the 2007 PDL Criteria may be found on the DMAS web site at this link: http://www.dmas.virginia.gov/pharm- pdl_program.htm.

PROCESS FOR REVIEWING NEW DRUGS SUBJECT TO THE PDL

Upon approval by the Food and Drug Administration (FDA), new drugs in PDL-eligible drug classes will be immediately classified as "non-preferred" and require prior authorization to be dispensed. The P&T Committee will review these newly approved drugs at their first meeting following the approval, with at least thirty days notice. The new drug will be reviewed by the Committee even if the annual review of its drug class is not being conducted. Within PDL- eligible drug classes, the P&T Committee will consider the following for review: new brand drugs; new brands of established generics; and first generics (generics new to the market and included in the monthly FDA update).

The Department will review and determine the status of new drugs that are 1) new, non-branded generic drugs within an established generic drug class and 2) product line extensions (strength and form). New, non-branded generics will be deemed the same PDL status (preferred or non- preferred) as the existing generic drugs in the related class. The Department will refer new drug decisions to the P&T Committee, as necessary.

For more information on the PDL New Drug Policy, please see the following link on the DMAS web site: http://www.dmas.virginia.gov/pharm-p&t_committee.htm.

PRIOR AUTHORIZATION (PA) PROCESS

A message indicating that a drug requires a PA will be displayed at the point of sale (POS) when a non-preferred drug is dispensed. Pharmacists should contact the patient's prescribing provider to request that they initiate the PA process. Prescribers can initiate PA requests by letter, faxing

to 1-800-932-6651, or contacting the First Health Services Clinical Call Center at 1-800-932- 6648 (available 24 hours a day, seven days a week). Faxed and mailed PA requests will receive a response within 24 hours of receipt. PA requests can be mailed to:

First Health Services Corporation
ATTN: MAP Department/ VA
Medicaid 4300 Cox Road

Glen Allen, Virginia 23060

A copy of the PA form is available online at http://www.dmas.virginia.gov/pharm-pdl_program.htm or https://virginia.fhsc.com. The PDL criteria for PA purposes are also available on both websites.

PREFERRED DRUG LIST (PDL) – 72-HOUR-SUPPLY PROCESSING POLICY

The PDL Program provides a process where the pharmacist may dispense a 72-hour supply of a non-preferred, prescribed medication if the physician is not available to consult with the pharmacist (after hours, weekends, or holidays), **AND** the pharmacist, in his/her professional judgment consistent with current standards of practice, feels that the patient's health would be compromised without the benefit of the drug. A phone call by the pharmacy provider to First Health Services Corporation (FHSC) at 1-800-932-6648 (available 24 hours a day, seven days a week) is required for processing a 72-hour supply.

The patient will be charged a co-payment applicable for this 72-hour supply (partial fill). However, a co-payment will not be charged for the completion fill. The prescription must be processed as a "partial" fill and then a "completion" fill. For unit-of-use drugs (i.e., inhalers, drops, etc.), the entire unit should be dispensed and appropriate action taken to prevent similar situations in the future.

PREFERRED DRUG LIST (PDL) – 72-HOUR-SUPPLY DISPENSING FEE PROCESS

Pharmacy providers are entitled to an additional $4.00 dispensing fee (brand name and generic drugs) when filling the completion of a 72-hour-supply prescription for a non-preferred drug. To receive the additional dispensing fee, the pharmacist must submit the 72-hour supply as a partial fill and, when submitting the claim for the completion fill, enter "03" in the "Level of Service" (data element 418-DI) field. The additional dispensing fee is only available (one time per prescription) to the pharmacist after dispensing the completion fill of a non-preferred drug when a partial (72-hour supply) prescription was previously filled.

Any questions regarding the PDL dispensing process can be referred to FHSC at 1-800-932- 6648 (available 24 hours a day, seven days a week).

PERSONAL DIGITAL ASSISTANT (PDA) DOWNLOAD FOR PDL QUICKLIST

There are two ways to download the PDL list for PDA users. On the DMAS Web site (http://www.dmas.virginia.gov/pharm-pdl_program.htm), there is a link, which enables providers to download the PDL Quicklist to their PDAs. This page will have complete directions for the download and HotSync operations. If you are an ePocrates® user, you may also access Virginia Medicaid's PDL through the ePocrates® formulary link at www.epocrates.com. ePocrates® is a leading drug information software application for handheld computers (PDAs) and desktop computers. A large number of healthcare providers use this software in their daily practice. For more information and product registration, please visit the ePocrates® website.

To download the Virginia Medicaid PDL via the ePocrates® website to your PDA, please follow these steps:

1. Ensure that you have the most recent version of ePocrates Rx® installed on your PDA.
2. Connect to the Internet and go to www.epocrates.com.
3. Click the "Add Formularies" link at the top of the page.
4. Log in to the website using your user name and password.
5. Select "Virginia" from the "Select State" menu.
6. Select "Virginia Medicaid-PDL" under "Available Formularies."
7. Click on "Add to My List" and then click on "Done."
8. Auto Update your PDA to install the "Virginia Medicaid-PDL" to your PDA.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is http://virginia.fhsc.com. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov. Refer to the "DMAS Content Menu" column on the left-hand side of the DMAS web page for the "Provider Services" link, which takes you to the "Manuals, Memos and Communications" link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates that are requested.

"HELPLINE"

The "HELPLINE" is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The "HELPLINE" numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

PROVIDER E-NEWSLETTER SIGN-UP

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at

www.dmas.virginia.gov/pr-provider_newletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memos, Medicaid Provider Manuals, or any other official correspondence from DMAS.